

Message Text

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ORIGIN EB-07

INFO OCT-01 EUR-12 EA-07 NEA-10 ISO-00 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15

STR-04 TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01

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FM SECSTATE WASHDC

TO AMEMBASSY JAKARTA

INFO AMEMBASSY BANGKOK

AMEMBASSY KUALA LUMPUR

AMEMBASSY LONDON

AMEMBASSY MANILA

AMEMBASSY SINGAPORE

AMEMBASSY COLOMBO

AMCONSUL MEDAN

AMCONSUL SURABAYA

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E.O. 11652:N/A

TAGS: EIND, EPAP, ETRD, ID

SUBJECT:RUBBER: GOI INTEREST IN US PARTICIPATION IN RUBBER
PRICE STABILIZATION ARRANGEMENTS.

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REF: (A) JAKARTA 11626 - NOTAL; (B) STATE 222473 - NOTAL;

(C) STATE 28052 (FEB. 7, 1975) - NOTAL

1. GENERAL USG VIEWS CONCERNING COMMODITY PRICE STABILIZATION OUTLINED IN PARA 1 OF REF C REMAIN VALID.

2. INASMUCH AS ASSOCIATION OF NATURAL RUBBER PRODUCING COUNTRIES (ANRPC) IS STILL WORKING OUT DETAILS OF MALAYSIAN-INDONESIAN-THAI NATURAL RUBBER (NR) PRICE STABILIZATION SCHEME AND HAS NOT PROVIDED US AND OTHER NR CONSUMING COUNTRIES WITH DETAILS OF SCHEME WE ARE UNABLE TO OFFER ANY SPECIFIC COMMENTS ON THEIR PROPOSALS. WE WILL, OF COURSE, GIVE ANRPC PROPOSALS CAREFUL STUDY ONCE WE HAVE RECEIVED THEM.

3. DURING APRIL AND JULY MEETINGS OF INTERNATIONAL RUBBER STUDY GROUP (IRSG) EXECUTIVE COMMITTEE, MALAYSIA, INDONESIA AND THAILAND INFORMED US AND OTHER CONSUMER MEMBERS THAT THEY HOPED TO HAVE DETAILS OF ANRPC STABILIZATION PROPOSAL READY FOR DISCUSSION AT THIS YEAR'S IRSG ANNUAL MEETING, WHICH WILL BE HELD IN JAKARTA OCTOBER 28-31. MORE RECENTLY, MALAYSIAN PRIMARY INDUSTRIAL MINISTER MUSA HITAM TOLD ASSISTANT SECRETARY ENDERS SEPTEMBER 11 (REF B) THAT ANRPC MEMBERS WERE STILL REVIEWING DETAILS OF SCHEME.

4. DURING IRSG EXECUTIVE COMMITTEE MEETINGS AND AT MUSA HITAM-ENDERS MEETING, ANRPC MEMBERS EXPRESSED HOPE FOR NR CONSUMER COUNTRY COOPERATION AND PARTICIPATION IN NR PRICE STABILIZATION SCHEME. IN RESPONSE, US AND OTHER NR CONSUMERS HAVE EXPRESSED TO ANRPC MEMBERS THEIR BELIEF THAT QUESTION OF NR PRICE STABILIZATION SHOULD BE DISCUSSED WITHIN PRODUCER-CONSUMER CONTEXT, PREFERABLY WITHIN IRSG, WHICH SINCE 1944 HAS BEEN THE LEADING INTERNATIONAL BODY DEALING WITH RUBBER MATTERS. WE CONTINUE TO BELIEVE, AS NOTED IN PARA 4 OF REF C, THAT IRSG, RATHER THAN ANY US-ASEAN TALKS, OFFERS MOST APPROPRIATE FORUM FOR CONSULTATIONS ON NR PRICE STABILIZATION.

5. IN VIEW OF SHORT TIME REMAINING PRIOR TO JAKARTA IRSG MEETING, AND WITH DETAILED ANRPC PRICE STABILIZATION LIMITED OFFICIAL USE

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PROPOSALS APPARENTLY NOT YET READY FOR PRESENTATION TO CONSUMERS, IT APPEARS INCREASINGLY DOUBTFUL THAT ANY DETAILED SUBSTANTIVE DISCUSSION OF ANRPC PROPOSALS WILL TAKE PLACE AT JAKARTA MEETING. AT IRSG EXECUTIVE COMMITTEE SESSIONS MENTIONED ABOVE US AND OTHER CONSUMERS ASKED ANRPC MEMBERS THAT PROPOSALS BE CIRCULATED TO CONSUMERS SUFFICIENTLY IN ADVANCE OF JAKARTA MEETING TO ENABLE STUDY OF THEM. IF ANRPC PROPOSALS NOT RECEIVED

IN TIME TO ENABLE STUDY, IT MAY BE THAT US AND OTHER CONSUMERS WILL BE ABLE ONLY TO MAKE GENERAL REMARKS AT JAKARTA MEETING, WITH FULLER DISCUSSION TO FOLLOW AT A SUBSEQUENT IRSG MEETING.

6. FYI: NATURE OF CONSUMER "COOPERATION AND PARTICIPATION" DESIRED BY ANRPC HAS YET TO BE SPELLED OUT IN DETAIL, BUT IT IS OBVIOUS FROM ANRPC REMARKS THAT NR PRODUCERS HOPING FOR CONSUMER COUNTRY ASSISTANCE IN FINANCING NR BUFFER STOCK. RE A DIRECT US CONTRIBUTION TO A NR BUFFER STOCK, WE WOULD HAVE PROBLEMS HERE, BOTH IN PRINCIPLE AND BECAUSE WE BELIEVE CONGRESSIONAL AUTHORIZATION TO CONTRIBUTE TO A BUFFER STOCK WOULD NOT BE FORTHCOMING. HOWEVER, AS NOTED IN SECRETARY'S SEPTEMBER 1 UNGA SPEECH, USG WILL SUPPORT LIBERALIZATION OF IMF'S FINANCING OF BUFFER STOCKS, TO ASSURE THAT THIS FACILITY IS AVAILABLE WITHOUT REDUCING OTHER DRAWING RIGHTS. END FYI.

7. IN DISCUSSIONS WITH HOST COUNTRY OFFICIALS POSTS SHOULD STATE THAT US SUPPORTS CONCEPT OF STABILIZING COMMODITY MARKETS. HOWEVER, WE CONTINUE TO BELIEVE THAT THERE IS NO SIMPLE FORMULA THAT WILL APPLY EQUALLY TO ALL COMMODITIES. US THEREFORE PROPOSED TO DISCUSS NEW ARRANGEMENTS IN INDIVIDUAL COMMODITIES ON A CASE-BY-CASE BASIS. IN CASE OF RUBBER, WE WILL HAVE TO STUDY ANRPC PROPOSALS WHEN MADE PRIOR TO OFFERING ANY SPECIFIC COMMENTS.

8. REF A BEING REPEATED TO LONDON. POSTS REQUESTED TO INCLUDE LONDON AS INFO ADDRESSEE ON ALL MESSAGES DEALING WITH RUBBER PRICE STABILIZATION. KISSINGER

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